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October 17, 2008

Thomasenia P. Duncan, Esq.
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Federal Election Commission
999 E Street, NW
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Re: MUR 6054 (Vernon G. Buchanan, Don Caldwell, Brad S. Combs, Buchanan Automotive Holdings, Inc., 1099 Management Co., LLC, Sarasota 500, LLC d/b/a Sarasota Ford, and 1099 L.C. d/b/a Venice Nissan Dodge)

Dear Ms. Duncan:

This response is submitted on behalf of Vernon G. Buchanan, Don Caldwell, Brad S. Combs, Buchanan Automotive Holdings, Inc., 1099 Management Co., LLC, Sarasota 500, LLC d/b/a Sarasota Ford, and 1099 L.C. d/b/a Venice Nissan Dodge (collectively "Respondents") with respect to the August 26, 2008 letters sent by the Federal Election Commission ("FEC") notifying each Respondent of a complaint filed by Citizens for Responsibility and Ethics in Washington ("CREW"). Pursuant to 2 U.S.C. § 437g(a)(1), no action should be taken against the Respondents.

Statement of Facts

Vernon G. Buchanan ("Representative Buchanan") is currently a Member of the U.S. House of Representatives representing the 13th Congressional District of Florida. Representative Buchanan's principal campaign committee is Vern Buchanan for Congress (Committee ID: C00412759). During 2005 and 2006, Representative Buchanan was a candidate for the 13th Congressional District of Florida.

Representative Buchanan is the sole shareholder of 1099 Management Co., LLC, a limited liability company organized in the state of Florida. 1099 Management Co., LLC has a majority ownership interest in 1099 L.C. d/b/a Venice Nissan Dodge ("Venice Nissan Dodge"), a limited liability company organized in the state of Florida.¹ Both 1099 Management Co., LLC and 1099 L.C. are taxed as partnerships by the IRS in accordance with 26 C.F.R. § 301.7701-3.

Representative Buchanan is also the sole shareholder of Buchanan Automotive Holdings, Inc., a corporation organized in the state of Florida. Buchanan Automotive Holdings, Inc. has a majority ownership interest in Sarasota 500, LLC d/b/a Sarasota Ford ("Sarasota Ford"), a

¹ Under Florida state law, limited liability companies can use the abbreviation "L.C." in their name if it operated under that name prior to July 1, 2007; see Florida Stat. § 608.406(4).

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limited liability company organized in the state of Florida and taxed as a partnership by the IRS in accordance with 26 C.F.R. § 301.7701-3.

Brad S. Combs is the Finance Manager of Venice Nissan Dodge and has served in this capacity since August 2003.

Don Caldwell is the General Manager of Venice Nissan Dodge and has served in this capacity since June 2006. Don Caldwell served as the General Sales Manager for Venice Nissan Dodge from December 1999 until June 2006.

Response

The allegations contained in the Complaint are not supported by the evidence. In fact, the only evidence provided to support the allegations are 2 potentially unreliable affidavits and a newspaper article.

Affidavits of Carlo Bell and David Padilla May Not be Reliable

The allegations contained in the Complaint are based on the recollections and interpretations of Carlo Bell and David Padilla regarding conversations that took place 3 years ago. There is evidence that these recollections and interpretations are not accurate.

For example, both Carlo Bell and David Padilla allege in their affidavits that fellow Venice Nissan Dodge employees Jack Prater and Jason Martin were reimbursed in 2005 for contributions to Vern Buchanan for Congress. See Affidavit of Carlo Bell at ¶¶ 5 and 6 and Affidavit of David Padilla at ¶ 6. However, these allegations are directly contradicted by affidavits signed by Jason Martin and Jack Prater. See Exhibits A and B.

Carlo Bell makes additional similar allegations regarding Venice Nissan Dodge employees Marvin White and William Mullins. See Affidavit of Carlo Bell at ¶ 8. However, these allegations are also directly contradicted by affidavits signed by Marvin White and William Mullins. See Exhibits C and D.

Finally, David Padilla's previous statement directly contradicts his own affidavit. In April of 2008, in response to a question from Mark Douglas of News Channel 8 (WFLA) in Tampa, Florida, David Padilla stated on camera that he had never been asked to make a campaign contribution to Vern Buchanan for Congress. See Exhibits E¹ and E². However, in David Padilla's August 19, 2008 affidavit, he states that he was asked to make a contribution to Vern Buchanan for Congress in September of 2005. See Affidavit of David J. Padilla at ¶ 1.

The Allegations Against Sarasota Ford are Not Supported

The allegation contained in the Complaint regarding Sarasota Ford appears to have been included as an afterthought and is not supported by the evidence. See Complaint at ¶ 13. Carlo Bell, David Padilla, Jack Prater, Jason Martin, Marvin White, and William Mullins are all current or former employees of Venice Nissan Dodge. The only current or former Sarasota Ford

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employee mentioned in the Complaint is Joseph Kezer. The only evidence provided to support the assertion against Sumner Ford is a Roll Call article. See Complaint, Exhibit B. No affidavit for Joseph Kezer is provided.

Venice Nissan Dodge and Sarasota Ford are Partnerships

The Complaint improperly asserts that Venice Nissan Dodge and Sarasota Ford are corporations for purposes of the Federal Election Campaign Act of 1971, as amended ("FECA"). See Complaint at ¶ 8. However, Venice Nissan Dodge and Sarasota Ford are each limited liability companies which are taxed as partnerships by the IRS. According to the FEC's 1999 rulemaking, "Like the IRS rules, the Commission [treat] all LLCs as partnerships unless an LLC opts for federal corporate tax treatment pursuant to the 'check the box' provisions."² Counts I and II in the Complaint rely on provisions in FECA and FEC regulations that apply to corporations and not partnerships. See Complaint at ¶¶ 14, 15, 18, and 19.

Conclusion

The Complaint relies on two affidavits that may be unreliable, makes allegations against Sarasota Ford that are unsubstantiated, and cites FECA provisions that apply to corporations but not partnerships. Based on the foregoing, I request that the FEC not take any action in this matter as it relates to the ~~incorporation~~.

Sincerely yours,

HOLLAND & KNIGHT LLP


Christopher DeLacy

² Treatment of Limited Liability Companies Under the Federal Election Campaign Act, 64 Fed. Reg. 37,397 at 37,398 (July 12, 1999); 11 C.F.R. § 110.1(g)(2).

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Exhibit E¹

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April 2008 David Padilla Interview
Conducted by Mark Douglas - News Channel 8 (WFLA) Reporter

Mark Douglas: "Another former Buchanan Finance Manager, DJ Padilla, also swears in an affidavit filed with the FEC that he was pressured to give on another such occasion and replied at the time: 'You have to be out of your mind.' But, last April, Padilla told us a different story."

Mark Douglas to DJ Padilla: "Were you ever asked to make political campaign contributions to Vern Buchanan?"

DJ Padilla: (Laughing) "No. I don't know if it was that I was, because I was a registered a Democrat or Independent or I don't remember what I was registered as at that point, uh but anyhow, I had heard that went on."

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